



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Fillmore Field Office

95 East 500 North

Fillmore, UT 84631

<http://www.blm.gov/ut/st/en/fo/fillmore.html>



RECEIVED

JUL 17 2014

DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:
3809 (UTW02000)
UTU-89111

July 10, 2014

CERTIFIED MAIL # 7012 3460 0000 6633 2186
RETURN RECEIPT REQUESTED

DECISION

Mr. Clay Franks :
Cosmic American Rare Earths, Inc. : 43 CFR 3809 - Surface Management Notice
7633 E. 63rd Place, Suite 300 : UTU-89111
Tulsa, Oklahoma 74113 :

Determination of Required Financial Guarantee Amount

Your Notice near Dog Valley Wash, in Juab County, Utah was inspected jointly by the Bureau of Land Management (BLM) and the Utah Division of Oil, Gas and Mining (UDOGM) on March 11, 2014. The inspection was conducted in response to your request for a bond release. The project is located near Leamington, Utah at Township 12 South, Range 02½ West, in aliquot parts of section 25.

The Notice was previously assigned BLM case file number UTU-89111. Please refer to this number for any future communication concerning the Notice. The corresponding UDOGM file number is S/023/0110.

The joint inspection by the BLM and the UDOGM found no evidence of surface disturbances that require reclamation in your proposed project area. Your claim sign and posts at the entrance to the project should be removed, however. Active mining claims should have location and corner monuments, but a sign of this type is not required.

Amount of Financial Guarantee – This office has determined, in consultation with the Utah Division of Oil, Gas, and Mining (UDOGM), that since no surface disturbances have been created by your project, the financial guarantee of \$7,900 that is being held by the UDOGM for their Small Mining Operation permit S/023/0110 may be released with the approval of the BLM. The amount of the reclamation cost estimate was based on operator compliance with all applicable operating and reclamation requirements from both the UDOGM and the BLM.

BLM's decision concerning the amount of the required financial guarantee, the determination that your Notice filing is complete, and the determination that your operations, as proposed, will

not cause unnecessary or undue degradation does not relieve you, the operator, of your responsibility to be in compliance with all applicable Federal, State, and local laws and regulations and to obtain all applicable Federal, State, and local authorizations and permits. You are responsible for preventing any unnecessary or undue degradation of public lands and resources and for reclaiming all lands disturbed by your operations.

Required Financial Guarantee – Your financial guarantee obligation in the amount of \$7,900.00 will be reduced to \$0.00 by the BLM. You must receive written notification from both the BLM Utah State Office and the UDOGM acknowledging your bond release and reducing your financial guarantee to zero before your BLM Notice case file will be closed.

This decision does not constitute certification of ownership to any entity named in the Notice, recognition of the validity of any associated mining claims, or recognition of the economic feasibility of the proposed operations.

Term of Notice – Your BLM Notice case file will be closed after your bond obligation is reduced to zero. If you wish to pursue a future exploration project in this area, then you must submit a new Notice proposal to Fillmore Field Office of the BLM. You must also consult with the UDOGM about the State permitting and reclamation requirements.

Appeal of the Decision Determining the Required Financial Guarantee Amount - If you do not agree with the impending closure and are adversely affected by this decision, in accordance with 43 CFR §3809.804, you may request that the BLM Utah State Director review this decision. If you request a State Director review, the request must be received in the BLM Utah State Office, 440 West 200 South, Suite 500, Salt Lake City, Utah 84101, no later than 30 calendar days after you receive this decision. A copy of the request must also be sent to this office. The request must be in accordance with the provisions provided in 43 CFR §3809.805. If a State Director review is requested, this decision will remain in effect while the State Director review is pending, unless a Stay is granted by the State Director. Standards for obtaining a Stay are given below. If you request a Stay, you have the burden of proof to demonstrate that a Stay should be granted.

If the State Director does not make a decision concerning your request for review of this decision within 21 days of BLM's receipt of the request, you should consider the request declined and you may appeal this decision to the Interior Board of Land Appeals (IBLA). You may contact the BLM Utah State Office to determine when BLM receives the request for State Director Review. You have 30 days from the end of the 21 day period in which to file your notice of appeal with the IBLA (see procedures below). If you wish to bypass a State Director review, this decision may be appealed directly to the IBLA in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in the Fillmore Field Office (FFO) at 95 East 500 North, Fillmore, Utah 84631 within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 for a Stay of the effectiveness of this decision during the time that your appeal is being reviewed by the IBLA, the petition for a Stay must accompany your notice of appeal. A petition for a Stay is required to show sufficient justification based on the standards listed below. Copies of this notice of appeal and petition for

a Stay must also be submitted to each party named in the decision, to the IBLA, and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a Stay, you have the burden of proof to demonstrate that a Stay should be granted.

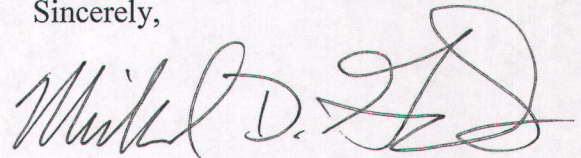
Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a Stay of a decision pending appeal shall show sufficient justification based on the following standards:

- The relative harm to the parties if the stay is granted or denied
- The likelihood of the appellant's success on the merits
- The likelihood of immediate and irreparable harm if the Stay is not granted
- Whether the public interest favors granting the Stay

If you have any questions, please contact Duane Bays, Fillmore Field Office (FFO) Natural Resource Specialist, at (435) 743-3115.

Sincerely,



Michael D. Gates
Field Manager

Enclosure: Form 1842-1

Photo 1

Photo 2

cc:

Paul Baker

UDOGM

1594 W North Temple, Suite 1210

Salt Lake City, UT 84114

Opie Abeyta (UT-923)

Rita Stelmach (UT-923)

Utah State Office/ BLM

440 West 200 South, Suite 500

Salt Lake City, UT 84101





DNR
NATURAL
RESOURCES

TACOMA

ENTERING
FEDERAL CLAIM
UMC 49982
WDW